

GUIDING MONTANA BUSINESSES *to Success*

MONTANA SMALL BUSINESS DEVELOPMENT CENTER
2013 ANNUAL REPORT



PREPARED BY THE SBDC LEAD CENTER
MONTANA DEPARTMENT OF COMMERCE
MAY 1, 2014



The Montana SBDC Program is funded in part through a Cooperative Agreement with the U.S. Small Business Administration.



WELCOME

The Montana SBDC Network is a network of ten centers strategically positioned throughout the state to ensure that residents of every county have access to small business assistance. We offer free, confidential counseling and free or low-cost training to both existing businesses and aspiring entrepreneurs.

Our SBDC Directors and Business Advisors assist clients every day with the preparation or fine-tuning of business plans, financial management, operations assistance, loan applications and marketing initiatives. The SBDCs are dedicated to helping small businesses throughout Montana achieve their dreams of growth, expansion, innovation and success. The SBDC Network combines the resources of federal, state and local organizations with that of the educational system and private sector to meet the specialized and complex needs of the small business community.

SBDC training seminars address timeless small business issues such as cash flow management, as well as new and emerging trends such as the use of social networking sites to market small business.

We appreciate the support of our Host organizations, which includes higher education institutions and economic development organizations; these funding partners and community contributors help to ensure the Montana SBDC Network's continued success. We are grateful to the volunteers and consultants who work with the SBDC to maintain the highest level of quality for the entrepreneurs of Montana.

We are proud to publish this update on our productivity and economic impact in 2013. Please enjoy the success stories contained within – their success is Montana's success.

Sincerely,

Ann Desch

Ann Desch

State SBDC Director

Montana SBDC Network

Montana Department of Commerce



MONTANA SBDC NETWORK

2014

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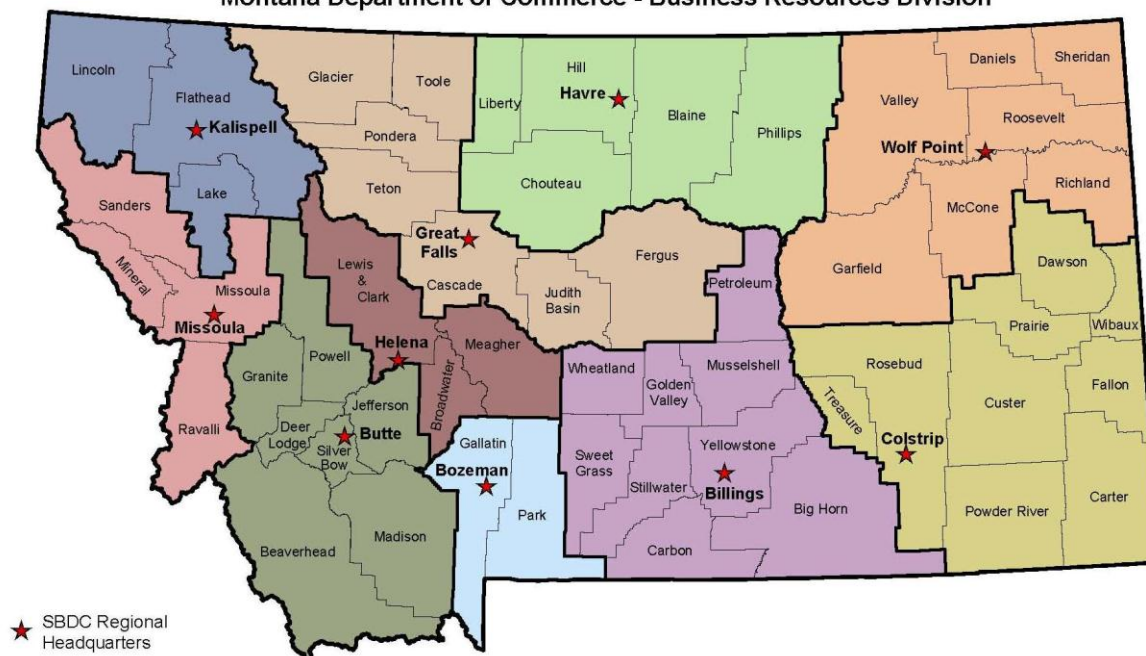
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SMALL BUSINESS DEVELOPMENT CENTER (SBDC) REGIONS

Montana Department of Commerce - Business Resources Division



2013 ECONOMIC IMPACT

With entrepreneurship on the rise, it is more important than ever for entrepreneurs to receive the assistance they need to grow their ideas into successful small businesses. The following numbers reflect the economic impact of SBDC counseling on Montana's small businesses and the general economy:

Successfully launched start-ups	61
Hours spent counseling small businesses and entrepreneurs	5,586
Percent client satisfaction rating of "Excellent" or "Good"	94.6 %
Training seminars conducted by the SBDC Network	101
SBDC training attendees	1,331
Jobs created and saved at small businesses	799
State and Federal tax revenue generated by SBDC clients	\$1,381,046
Aggregate sales increase of SBDC clients	\$7,869,280
Financing packages developed	116
Total financing received by SBDC clients	\$31,635,576

INVEST IN *Success* BUSINESS CONFERENCE

The Montana SBDC Network hosted its fifth annual Invest in Success small business conference on April 16 and 17 at Montana Tech in Butte. The conference offered small business owners and potential entrepreneurs the opportunity to obtain knowledge in order to enhance their financial, managerial and technical skills as well as connect with resource partners and network with others in the small business community. The diversity and number of renowned speakers that presented at the 2014 conference made the event very appealing to small business owners. The network was especially excited to have Patrick Schwerdtfeger, a leading expert on global business trends including big data, self-employment, and the social media revolution, as the keynote speaker for the conference. Other conference highlights included:

- ⇒ A Shark Tank style business plan competition
- ⇒ 2 Montana Entrepreneur Panels
- ⇒ 15 dynamic and powerful speakers from around Montana
- ⇒ Opportunities to connect with other business resource partners
- ⇒ Pre-conference networking event at Butte Brewing Co.
- ⇒ Behind-the-scenes tour of the REC Silicon facility in Butte

Other speakers that presented at the conference included:

- Kathy Wojcik, Bluheron Coaching & Consulting
- Dave Meldahl, Think2Perform
- Colleen Rudio, Cascadia Business Development
- Jeff White, NEWBOS Partners, LLC
- John Doran, Blue Cross and Blue Shield of Montana
- Rebecca Engum, Great Falls SBDC Director
- Christina Henderson, Montana High Tech Business Alliance
- James Oakley, Jake Jabs College of Business & Entrepreneurship, Montana State University
- Mark Willmarth, Vision West, Inc.
- Mike Size, Portside Advisors, LLC
- Dan Anderson, CFO Solutions
- Hal Peck, Department of Labor & Industry
- Steve Holland, Montana Manufacturing Extension Center
- Linda Baumann, Marketplace Media
- George Haynes, Montana State University

SBDC SUCCESS STORY

BELLE EN BLANC BRIDAL BOUTIQUE, BILLINGS

Background:

Taryn Reitz engaged SBDC services to refine her business plan for a start-up bridal boutique. She needed assistance with drafting a plan she intended to present to a local lender in order to obtain financing for her venture. She also needed assistance with market research, financial budgeting, marketing, commercial leasing, accounting, inventory, and loan packaging.

Assistance:

Taryn had a strong business sense and a background in marketing but lacked the ability to put together a business plan and projections that would accurately forecast the viability of her business. She also needed guidance regarding various aspects of getting started and where to turn for each detail. The SBDC Director at Big Sky Economic Development partnered with Taryn to draft and complete a thorough business plan complete with well supported financial projections based on credible market research. In addition, the plan considered all aspects of the business including: operations, products and services, management of the organization, startup expenses and capitalization, architect plans, bids for lease hold improvements, inventory suppliers, resume, personal financial statement, and market industry studies. Taryn worked with the SBDC Director throughout the process of obtaining her loan. After approval she continued to work with the center to carry out the steps needed to be ready to open. Taryn continues to work with the SBDC as well as refer clients for services.

Impact:

Belle en Blanc opened their doors with a bang on February 1st of 2014. Taryn was able to secure an SBA loan through Stockman bank which enabled her to cover all of her startup expenses and working capital. Taryn has two part-time employees and has sub-leased part of her space to local photographers which has enabled the emergence of a strategic partnership. Her current focus is continued marketing and networking events designed for new brides.



Photos © by Belle en Blanc Bridal Boutique



SBDC SUCCESS STORY

CLEAN SLATE GROUP, BOZEMAN

Background:

Ryan Rickert founded his company three years ago after getting his idea while vacationing in Canada and, due to the quality of his management and innovative products; Clean Slate Group has experienced phenomenal growth. The company designs and manufactures vinyl wraps used to prevent graffiti and beautify commonly overlooked community assets such as garbage cans and power boxes. Ryan is a passionate and principled business owner who measures the success of his company with the double bottom line approach. In other words, Ryan is equally concerned with the profitability of the business and the impact it has on others.

Assistance:

Montana is currently one of only five Blackstone LaunchPads in the country. Rickert serves as an adviser for Blackstone LaunchPad participants and other budding entrepreneurs. While Ryan has been tremendously resourceful in growing his business, the day to day skills necessary for managing the financials of his business were lacking. The SBDC Director at Montana Community Development Corporation in Bozeman met with Ryan early in his business' growth and put together a strategic consulting plan that included trainings (he attended the Bozeman SBDC's Profit Mastery), working through and cleaning up his financials, improving hiring practices, establishing growth parameters and improving access to clients.

Impact:

In 2011, Clean Slate Group began with one employee. At the end of 2013, a staff of eight (operations manager, installers, designers, administrative), as well as three interns and various contract employees, supported the company. Since growth in 2013 has created the need for additional staff, Clean Slate Group will be adding project managers and a chief financial officer in 2014. Sales growth at Clean Slate Group is best described in terms of vinyl usage. 500 square feet of vinyl was used in January 2013. By the end of December during the same year, 7,500 square feet of vinyl was used. Much of the 1500% increase comes from word-of-mouth buzz and improved communication strategies. West Yellowstone reached out to work with Clean Slate Group after seeing Bozeman's projects. Delaware North, Yellowstone Park's management company, loved West Yellowstone's project and asked Clean Slate Group to do the same inside the park. The same growth pattern continues today and CSG is continually working with the Bozeman SBDC to address new and unusual business issues on a monthly basis.



Photos © by Clean Slate Group

SBDC SUCCESS STORY

QUILTER'S CORNER, HARLEM

Background:

Tameria Perry was referred to Bear Paw Development Corporation's Small Business Development Center by another client of the SBDC when they heard about her interest in starting a sewing and quilting business in Harlem. Tameria wanted a store where she could sew and sell her star quilts along with various other Native American items. Her needs included developing a business plan, financial projections, and assistance in completing her loan application.

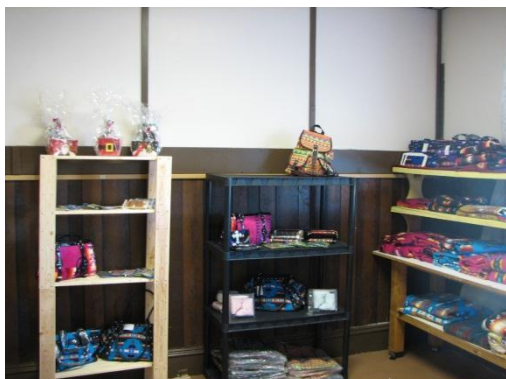
Assistance:

Within a couple of weeks, Tameria had her business plan completed and requested feedback from Joe LaPlante, Bear Paw Development's SBDC Director. She made changes to her marketing analysis and better defined her target market. Tameria also worked with the SBDC to fine-tune her financial projections. With the SBDC's assistance, she was able to determine the dollar amount and time that was required to complete each star quilt. This helped Tameria to figure out what price to charge and how many quilts she needed to sell in order to break even.

Having finished her business plan and financial projections, Tameria was ready to begin completing the paperwork required to obtain financing through Bear Paw Development's Loan Department. Through several meetings and frequent communication, Tameria finished her paperwork in short order and her loan request was approved by Bear Paw's loan review committee.

Impact:

After receiving financing, Tameria opened Quilter's Corner in time for the holiday shopping season. She was able to complete orders locally, regionally, and across the United States. She has also exported her quilts to Canada. Tameria is currently building her business by expanding her retail offerings and continuing to produce one-of-a-kind star quilts. In the future, she hopes to offer quilting classes to community members. Quilters Corner employs one person full-time and one part-time.



Photos ©by Quilter's Corner



SBDC SUCCESS STORY

MIGHTY MO BREWING COMPANY, GREAT FALLS

Background:

The Mighty Mo Brewing Company opened for business at 412 Central Avenue in downtown Great Falls on Friday December 6, 2013. The owners say it took years to prepare for the opening, overcoming the financial hurdles was the hardest part, and they are glad to finally be open. They also say they feel that their location makes their business unique. Seth Swingley says that the downtown atmosphere gives the Mighty Mo a different feel than the other two breweries in Great Falls. He also states that they use as many local products as possible - including the waters of the Missouri River, hence the name "Mighty Mo."

Assistance:

Seth and Casey, the owners of Mighty Mo Brewing Company, worked through their business plan, loan structure, and cost overruns during the project, as well as cash flow projections, with the Small Business Development Center Director at Great Falls Development Authority.

Impact:

With a little help from the SBDC, Seth and Casey have built a popular and thriving business that promises to provide Great Falls residents with a place to enjoy a good pint of locally made beer for years to come.



Photos © by Mighty Mo Brewing Company